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Before the

Subcommittee on Emerging Threats and Capabilities

COMMITTEE ON
ARMED SERVICES

UNITED STATES SENATE

HEARING TO RECEIVE TESTIMONY ON IMPLICATIONS OF
CHINA'S PRESENCE AND INVESTMENT IN AFRICA

Wednesday, December 12, 2018

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4 Wednesday, December 12, 2018

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6 U.S. Senate
7 Subcommittee on Emerging Threats
8 and Capabilities
9 Committee on Armed Services
10 Washington, D.C.

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12 The subcommittee met, pursuant to notice, at 9:30 a.m.
13 in Room SR-232A, Russell Senate Office Building, Hon. Joni
14 Ernst, chairman of the subcommittee, presiding.

15 Members Present: Senators Ernst [presiding], Heinrich,
16 and Peters.

1 OPENING STATEMENT OF HON. JONI ERNST, U.S. SENATOR
2 FROM IOWA

3 Senator Ernst: Good morning, everyone. The
4 Subcommittee on Emerging Threats and Capabilities will come
5 to order.

6 And this morning, the Subcommittee on Emerging Threats
7 and Capabilities will meet to receive testimony on the
8 implications of China's investment and activities in Africa
9 to U.S. national security interests.

10 We are joined today by Yun Sun, Director of the China
11 Program at The Stimson Center; Judd Devermont, Director of
12 the Africa Program at the Center for Strategic and
13 International Studies; and Josh Meservey, Senior Policy
14 Analyst for Africa and the Middle East at the Heritage
15 Foundation.

16 I welcome our distinguished panel of experts, and thank
17 them for being with us today.

18 The rise of China as a strategic competitor to the
19 United States presents an array of challenges to our
20 national security interests around the globe. China is
21 rapidly modernizing its military and eroding America's
22 military advantage. Its aggressive behavior in the East and
23 South China Seas have unnerved our Indo-Pacific allies and
24 partners. And, as its economic influence grows around the
25 world, the Chinese military's presence and activity grows,

1 as well, from manmade islands in the South China Sea to
2 Indian Ocean ports to a military base in the African nation
3 of Djibouti.

4 But, China's strategic challenge to the United States
5 is much more than a military problem. China is pursuing a
6 notable expansion in its foreign assistance and investments
7 in support of its Belt and Road Initiative, a multi-decade,
8 multi-trillion-dollar initiative focused on increasing
9 Chinese influence and market access worldwide. In pursuit
10 of its objectives, we have seen China engage in heavyhanded
11 economic tactics to exert leverage and extract favorable
12 concessions from nations in strategically important regions.

13 China is racing to seize the commanding heights of the 21st
14 century global economy by any means necessary, including
15 unfair trade practices, cyberattacks, and industrial
16 espionage.

17 Earlier this year, in testimony before the committee,
18 the former Commander of INDOPACOM, Admiral Harry Harris,
19 stated that he's, quote, "concerned China will now work to
20 undermine the rules-based international order, not just in
21 the Indo-Pacific, but on a global scale, as China expands
22 its presence in Central Asia, the Arctic, Africa, South
23 America, and Europe," end quote. I share Admiral Harris's
24 concern, and that's why we have convened today's hearing.

25 During our time today, I'd like to focus on gaining a

1 better understanding of China's objectives and ongoing
2 activities in Africa, and what it means for our national
3 security interests. While China has long maintained a
4 presence in Africa, we are seeing an increase in the scope
5 and intensity of their activities across the continent. I
6 look to our witnesses to help the committee better
7 understand China's strategic objectives in Africa and how
8 China seeks to achieve those objectives; specifically, what
9 aspects of China's approach to Africa are most concerning to
10 our security, diplomatic, and economic interests, while also
11 identifying potential opportunities for cooperation with
12 China in pursuit of shared interests on the continent.

13 While I agree with our witnesses that we cannot view
14 China as 10 feet tall, we cannot underestimate China's
15 growing ambition and capabilities, as well as the long-term
16 challenges they pose to our interest and those of our
17 allies.

18 Again, I want to thank our witnesses for being with us
19 today, and I look forward to their testimony.

20 And I will now turn it over to the Ranking Member,
21 Senator Heinrich.

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1 STATEMENT OF HON. MARTIN HEINRICH, U.S. SENATOR FROM
2 NEW MEXICO

3 Senator Heinrich: Good morning, everyone. And let me
4 join the Chair in welcoming our witnesses before the
5 Emerging Threats and Capabilities Subcommittee to discuss
6 the implications of China's presence and investments in
7 Africa.

8 This hearing comes at an important moment. The current
9 administration is set to roll out a new strategy for Africa
10 this week in an effort to better align U.S. policy in Africa
11 with the priorities outlined in the National Defense
12 Strategy and the National Security Strategy. With regard to
13 Africa, our National Security Strategy states that, quote,
14 "We will expand trade and commercial ties to create jobs and
15 build wealth for Americans and Africans, both because it is
16 profitable for us and because it serves as an alternative to
17 China's often extractive economic footprint on the
18 continent," end quote. Such an effort will require a
19 reversal of current U.S. efforts, which have focused
20 primarily on counterterrorism in recent years, and
21 investment trends, which continue to decline, year on year.
22 Contrast that with China's investments in Africa, which have
23 been on an upward trajectory for nearly two decades, and its
24 security engagements, which have focused on facilitating
25 arms sales and providing educational opportunities for

1 senior African defense personnel in China. These trends
2 suggest a need for several reforms if we are to ensure that
3 the United States remains the security and commercial
4 partner of choice for African nations.

5 It's also important to be mindful that not all Chinese
6 activities in Africa are in direct conflict with U.S.
7 interests. Viewing every Chinese effort as a potential
8 threat clouds our strategic vision. I hope our witnesses
9 will help the committee better understand China's strategic
10 vision for Africa and the implications for U.S. objectives
11 across the continent.

12 Thank you, and I look forward to your testimony this
13 morning.

14 Senator Ernst: Wonderful. Thank you.

15 We'll go ahead and get started with our witness
16 testimony, and then we'll move into questions and answers.

17 And, Mrs. Sun, we will start with your testimony.

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1 STATEMENT OF YUN SUN, CO-DIRECTOR, EAST ASIA PROGRAM,
2 AND DIRECTOR OF THE CHINA PROGRAM, THE STIMSON CENTER

3 Mrs. Sun: Thank you, to the members of the
4 Subcommittee on Emerging Threats and Capabilities, for this
5 opportunity to testify on the strategic implications of the
6 Chinese investment in Africa.

7 This testimony seeks to examine what types of
8 political, ideological, and military interests China pursues
9 in Africa, and how China utilizes economic statecraft, such
10 as investment, to pursue them. It also aims -- analyze how
11 China's evolving approach to Africa will affect the great-
12 power competition with the United States.

13 Traditionally, Africa, as a part of the developing-
14 country bloc with which China identifies, has been regarded
15 as the foundation of China's foreign policy. China's
16 economic statecraft, from the free aid during the Cold War
17 to loans and investments to Africa today, has been an
18 effective instrument to secure Africa's support of China's
19 multifaceted agenda.

20 China has three types of strategic interests that it
21 pursues in Africa: political, ideological, and the
22 military. Politically, China relies heavily on the
23 diplomatic support and appropriation from African countries
24 on key issues in the international arena and in multilateral
25 forums. As China's global ambition grows rapidly under

1 President Xi Jinping, China has grown increasingly
2 interested in portraying Africa as a strong supporter and a
3 living testament of China's great-power status, its
4 reputation as a responsible stakeholder, and the leader of
5 the developing-country bloc. China's economic engagement
6 with Africa has been constantly cited to demonstrate the
7 generosity of China as the largest developing country and
8 the desirability of a new world order led by China. This
9 agenda strengthens Xi Jinping's prestige and authority at
10 home and abroad.

11 Ideologically, China actively promotes China's
12 development model, a combination of authoritarianism and
13 state capitalism, through government fellowships and
14 capacity-building programs for African elites. The goal is
15 to educate African elites on China's experience in economic
16 development and political governance as well as help them to
17 replicate such policies in their home countries. This
18 ideological push in Africa is geographically expensive,
19 institutionally systematic, and will have a profound
20 psychological and political impact over the choices and
21 preferences of African elites. That's over the political
22 landscape of the African continent.

23 In our concept, in the Western concept, the Chinese
24 political capacity-building programs equate to the export of
25 Chinese ideology, but in the more implicit and indirect

1 format. However, in this case, China's power does not lie
2 in its imposition, but in its inspiration.

3 Before the opening of China's first overseas military
4 base in Djibouti in 2017, China's security interests in
5 Africa were primarily limited to the protection of Chinese
6 nationals and assets in politically unstable countries.
7 However, China's base in Djibouti signals a new era of
8 China's security and military ambitions in Africa. Djibouti
9 is a critical first step in the global ambition of the
10 Chinese military and attests to increasingly sophisticated
11 approach that China has adopted to pursue such a goal. The
12 hidden-agenda approach China has deployed using U.N. mandate
13 and debt-trap diplomacy to achieve its military agenda
14 simply defies the rules of the game.

15 China's strategic aspirations are causally related to
16 its economic engagement in Africa and are mutually
17 reinforcing each other. China's economic capacity and its
18 willingness to use such capacity to cater to African elites'
19 demand lays the foundation for Africa's benevolent
20 interpretation and warm welcoming of China's agendas.

21 The political support of China's policy can usually be
22 acquired through generous offer of Chinese aid, loans, and
23 investments. Such a benevolent perception of China and the
24 popularity of China's development model due to its perceived
25 effectiveness significantly enhances its appeal of the

1 Chinese style of state capitalism in Africa. China is
2 building itself an image as a contributor to peace and
3 stability in Africa, boosting its image as a responsible
4 stakeholder while materializing, legitimizing, and expanding
5 its own military presence on the continent. Chinese
6 financial contributions have not only made these endeavors
7 possible, but also desirable for some countries and
8 obligatory for some other countries.

9 In turn, China's political, military, and ideology
10 influence deepens and broadens the scope and scale of
11 Chinese economic activities in Africa. As a result, Africa
12 is increasingly tied into the Chinese orbit.

13 China's complex approach toward Africa may not have
14 originated from a desire to compete with the United States
15 for global influence. However, the sophisticated Chinese
16 approach interweaves its economic engagement with political,
17 ideological, and security aspirations, which, consequently,
18 creates a reality of China's expanding and strategic
19 influence on the African continent. The growing willingness
20 of African countries to support Beijing's political agenda,
21 their eagerness to embrace China's development model, and
22 their welcoming accommodation of China's military ambitions
23 in Africa will signify the strength, reach, and influence of
24 China -- that China is gaining as a great power. As it
25 currently stands, Africa is indispensable in China's bid for

1 global superpower status, and Beijing has worked it
2 diligently to tie Africa into the Chinese orbit through
3 economic statecraft, political friendship, as well as
4 ideological influence. If the United States and China are
5 indeed engaged in a zero-sum rivalry for global hegemony,
6 Africa's alignment choices has a critical impact on the
7 result of this power equilibrium.

8 I will stop there. Thank you very much, again.

9 [The prepared statement of Mrs. Sun follows:]

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1 Senator Ernst: Thank you, Mrs. Sun.

2 And we will move to Mr. Devermont.

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1 STATEMENT OF JUDD DEVERMONT, DIRECTOR, AFRICA PROGRAM,
2 CENTER FOR STR4ATEGIC AND INTERNATIONAL STUDIES

3 Mr. Devermont: Great. Chair -- Chairwoman Ernst,
4 Ranking Member Heinrich, distinguished members, thank you so
5 much for the invitation to speak on this important topic.

6 In my judgment, Chinese engagement in sub-Saharan
7 Africa undercuts and potentially degrades U.S. capabilities
8 and influence. That said, Chinese is neither 10 foot tall
9 nor do all of its activities harm U.S. interests in the
10 region. I believe it's essential to draw a clear
11 distinction between Chinese activities that threaten U.S.
12 strategic national interests and Chinese activities that are
13 neutral or even complementary. If we portray all Chinese
14 endeavors as antithetical to U.S. goals, we fail to develop
15 and implement an effective policy.

16 In my mind, there's no doubt that several of Chinese
17 activities pose unmistakable threats to U.S. interests in
18 sub-Saharan Africa, and I will talk specifically about three
19 key areas of concern:

20 First, U.S. military operations and access. The
21 Chinese military base in Djibouti sits at the edge of one of
22 the most important maritime chokeholds in the world; 12.5 to
23 20 percent of global trade passes through the Bab-el-Mandeb
24 Straits. It's also just miles away from our own critical
25 U.S. base, and there have been reports of rising tension

1 between China and the United States. In May, the United
2 States officially complained to China about the use of a
3 military-grade laser to distract U.S. pilots. It's also
4 possible that China will build additional bases in sub-
5 Saharan Africa. They currently have invested, or have plans
6 to invest, in ports in Cameroon, Guinea, Madagascar,
7 Mozambique, Namibia, and Tanzania.

8 Second, U.S. information and communication platforms.
9 China's the leading -- China's leading role in Africa's
10 telecommunication and infrastructure poses a considerable
11 counterintelligence threat to the United States. ZTE and
12 Huawei have been active in the region for two decades,
13 raising concerns about Chinese access to cellphones,
14 networks, and data. In May, the wireless net carrier MTN
15 said it was reviewing its operations, given exposure to ZTE.
16 MTN is a South African-based carrier all across sub-Saharan
17 Africa and the Middle East. China is also building undersea
18 cables to Djibouti and Kenya, as well as to Cameroon.

19 Third, U.S. relations with current and emerging African
20 leaders. China's courtship of African political and
21 military leaders, as well as promising young Africans, is
22 another strategic challenge for the United States. Since
23 January 2017, China's leadership, including its President
24 and Foreign Minister, have made 19 trips to sub-Saharan
25 Africa. In contrast, only the U.S. Secretary of State has

1 visited the continent, where he visited six countries.

2 In addition, China is now issuing more scholarships to
3 African students than the United States or the United
4 Kingdom. These relationship investments are likely to have
5 tactical and strategic effects, enabling China to influence
6 allies and cultivate support amongst the next generation of
7 African leaders.

8 Now, in contrast to these significant threats, I
9 believe some of the current uproar over Chinese investment
10 in Africa is overblown. Not all Chinese activities in sub-
11 Saharan Africa are a threat to the United States. And it's
12 not axiomatic that every Chinese loan and infrastructure
13 project will result in another Hambantota. Many of Chinese
14 projects address the region's desperate need for roads,
15 rails, and ports. The World Bank, in 2017, reported that
16 Africa has some of the lowest road and rail densities in the
17 world. The issue, then, is whether Chinese companies are
18 constructing durable roads, rails, and ports; whether
19 they're including the sufficient environment and social
20 safeguards; and whether they're pursuing discriminatory
21 practices towards U.S. firms. In my view, infrastructure is
22 neutral, but it's its operation that's political. The
23 problem is that China builds roads in -- when it -- the
24 China -- the problem is that, when China builds roads and
25 rail in Africa, the question becomes, Can the U.S.

1 transparently compete for those projects? And, if China
2 does build the road, are our companies able to put an engine
3 on that rail, connect additional lines to that main artery?

4 Turning to the issue of debt traps, there's been a lot
5 of hand-wringing recently about this issue. Secretary --
6 former Secretary of State Tillerson, in March of 2018,
7 warned that China's predatory loan practices mire nations in
8 debt and undercut their sovereignty. I am deeply troubled
9 by the lack of transparency in many Chinese loans, but I
10 think the debt-trap narrative glosses over some key facts.

11 Africa faces the risk of debt distress, but China is
12 only the disproportionate contributor to three countries'
13 debt: Congo Brazzaville, Djibouti, and Zambia. According
14 to the Jubilee Debt Campaign, on average, about a third of
15 African external debt is to private lenders, another third
16 is to the international financial institutions, and about 20
17 percent is to China. So, when we talk about Chinese debt in
18 a vacuum, we leave ourselves open to criticisms about the
19 U.S. and the broader international community's role in
20 Africa's larger debt problem.

21 I want to make a final point about Africa -- how
22 African elites and publics view Chinese engagement, in
23 general, and then strategic competition, in particular.

24 African governments, for economic, political, and
25 security reasons, regard China as a key partner. As the

1 President of Ghana, Nana Akufo-Addo, said in October "It's
2 in our interest to deal with China. Everyone is dealing
3 with China." But, that doesn't mean that Africans are
4 oblivious to the risks of partnering with China. In that
5 same speech, Akufo-Addo said he's doing business with China
6 with open eyes. And Cote d'Ivoire recently instituted a
7 panel to monitor Chinese investments in their country.

8 Some governments are increasingly demanding that China
9 hire more African laborers. They're insisting on better
10 environmental practices. And, in Kenya, just very recently,
11 they arrested both Kenyans and Chinese for corruption over
12 the Standard Gauge Railway that was built between Nairobi
13 and Mombasa.

14 African publics have an equally nuanced view about
15 Chinese engagement. According to an Afrobarometer poll, 63
16 percent of Africans thought China's economic and political
17 influence in their country was positive. They cited
18 infrastructure and development. At this same poll, though,
19 they complained about the quality of Chinese products, and
20 they blame Chinese for taking jobs and businesses. There's
21 been communal violence against Chinese immigrants in the
22 DRC, in Madagascar, in South Africa, and in Zambia. For
23 many Africans, it's the small Chinese shopowner, the miner,
24 and the factory owner that represent the worst aspects to
25 the China-Africa relationship.

1 Finally, Africa's attitudes towards strategic
2 competition between U.S. and China is similarly complex.
3 The majority of African capitals anticipate they will
4 benefit from this rivalry. It is an opportunity to increase
5 access to resources, generate new leverage, and lessen
6 dependency on any single foreign lender. Many leaders
7 recognize that renewed geopolitical rivalry has increased
8 their country's strategic importance, and they expect to
9 profit, as a government or as individuals, from this uptick
10 in attention. U.S. policymakers should be mindful that
11 pressing Africans to pick a side is likely to fail, and the
12 region's governments will seek to balance and, when
13 necessary, play the two capitals off one another, with the
14 goal of securing the best-possible deal.

15 African leaders routinely and publicly make pointed
16 comparisons between China and the United States, complaining
17 when one is loading them down with too many conditions or
18 failing to live up to their agreements. For instance, nine
19 African leaders told President Trump, in September of 2017
20 at the U.N. General Assembly, "We prefer to do business with
21 the United States and other countries, but you aren't here,
22 unlike China."

23 In conclusion, I believe the United States has a vital
24 role in shaping Chinese-African relations, but it must adopt
25 a more strategic and realistic approach to its messaging and

1 engagement. And let me just give you five suggestions:

2 First, I think we need to update our talking points.
3 Our talking points generally give off the impression of
4 talking down to African counterparts. Chiding them often is
5 interpreted by Africans as being paternalistic.

6 Two, we need to focus on our strategic advantages. I
7 don't think that U.S. companies should be trying to build
8 roads in some farflung, dusty place in sub-Saharan Africa.
9 We should focus on the service sector, financial services,
10 agricultural, agribusiness, and renewed energy. And I also
11 think there's a play for U.S. technology.

12 Three, we should invest in soft power and democracy in
13 governance. The United States has traditionally had an edge
14 over China, because of U.S. values and its people-to-people
15 engagement. It's essential that we not only continue the
16 Young African Leaders Initiative, YALI, but also ratchet up
17 U.S. engagement with African leaders and publics.

18 Equally important, the United States should support
19 African democracy, democratic institutions, civil society,
20 and journalists to check China's malign activities,
21 including corruption. In Kenya, in Ghana, in Zambia,
22 reporters are exposing Chinese misdeeds and negative
23 behavior. This is critically important, because there's
24 also been examples of China trying to silence anti-Chinese
25 statements out of African press. Washington can call out

1 what China's doing, but it's much more powerful if we're
2 reaffirming and validating African voices criticizing what
3 China's doing in Africa.

4 Fourth, we should reconsider African-Chinese
5 cooperation in very narrow spaces, particularly on
6 development issues. Many of our key partners are doing this
7 already: Italy, France, Japan, and the United Kingdom.

8 And, finally, we should be engaging a broader set of
9 countries that are looking at Africa. There's been an
10 uptick in engagement in sub-Saharan Africa across the world,
11 from Turkey to the Gulf states to East Asian countries, like
12 Indonesia and Thailand. And, in many cases, their concern
13 is about China crowding them out of the market. I think
14 having a larger set -- a coalition, a consensus around a
15 rules-order approach to investment in Africa is a more
16 effective way to achieve our goals.

17 Thank you very much.

18 [The prepared statement of Mr. Devermont follows:]

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1 Senator Ernst: Thank you, Mr. Devermont.

2 And now Mr. Meservey. Thank you.

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1 STATEMENT OF JOSH MESERVEY, SENIOR POLICY ANALYST,
2 AFRICA AND THE MIDDLE EAST, DOUGLAS AND SARAH ALLISON CENTER
3 FOR FOREIGN POLICY, HERITAGE FOUNDATION

4 Mr. Meservey: Chairwoman Ernst, Ranking Member
5 Heinrich, and members of the committee, thank you for this
6 opportunity to testify.

7 The views I express in this testimony are my own and
8 should not be construed as representing any official
9 position of the Heritage Foundation.

10 By many measures, China is the most significant foreign
11 actor in Africa. Its lending, trade, and diplomatic
12 engagement now mostly outstrip other world powers, including
13 the U.S. Beijing continues, as well, to ramp up its
14 military cooperation activities on the continent.

15 While all this Chinese engagement is an opportunity for
16 wise and responsible African governments, it is a challenge
17 to U.S. national interests. Since the time of Chairman Mao,
18 the Chinese Communist Party, the CCP, has viewed the U.S.
19 with varying levels of intensity as a competitor. President
20 Xi and much of the rest of the CCP leadership appear
21 convinced more than ever that the U.S. is trying to thwart
22 China's rise to what they believe is its rightful place as
23 an unassailable global power. This suggests the CCP will
24 escalate its many activities that challenge American
25 interests, including in Africa.

1 I'll focus on three of these challenges in the African
2 context:

3 First, Beijing's activity is creating influence
4 towards, and facilitation of, illiberal governance in
5 Africa. This undermines the U.S. -- U.S.'s decades-long
6 attempt to encourage the global growth of democracy. Under
7 President Xi, Beijing has more boldly offered its own
8 developmental model of limited economic freedom and
9 repressive government as best suited to Africa. Chinese
10 companies also provide governments the technological means
11 and training to repress their people in countries such as
12 Zimbabwe and Ethiopia. And their routine use of corruption
13 to curry favor at the highest level of African governments
14 subverts the social contract.

15 Second, China is establishing economic norms on the
16 continent and using economic practices that disadvantage
17 U.S. firms. I already referenced Chinese companies'
18 prolific use of bribes to win contracts and favors in
19 Africa, which puts American companies at an obvious
20 disadvantage. African governments' at-times irresponsible
21 borrowing from China and the routinely opaque nature of
22 those transactions leaves fewer opportunities for American
23 companies, and makes them wary of engaging in countries with
24 unclear debt profiles.

25 Third, Beijing's influence in Africa makes it harder

1 for the U.S. to achieve its national interests on a
2 strategically important continent. As we've already
3 discussed this morning, Beijing built its first permanent
4 overseas military base in Djibouti, nearby to the U.S.'s
5 only permanent African military base. Earlier this year,
6 lasers emanating from that base injured U.S. military
7 aviators flying in the area. And, while there has been no
8 noticeable effect yet, China's ownership of significant
9 Djiboutian debt gives it substantial leverage over a country
10 key to U.S. interests.

11 China has ample other chances in Africa to surveil and
12 harass the U.S. CCP-linked telecom companies have built
13 telecom networks and national and government networks across
14 the continent. The Chinese government has also financed,
15 and/or Chinese companies have built, sensitive government
16 installations, such as parliaments and military barracks, in
17 at least 19 African countries. This gives them the
18 opportunity to access the networks or bug at least some of
19 the politically sensitive buildings, as they did with the
20 Chinese-built African Union headquarters.

21 These are just a few of the challenges that CCP's plans
22 for Africa pose to U.S. interests. There is no single means
23 to effectively respond. It'll take a broadbased, strategic
24 approach that uses all elements of American power.

25 To start, the U.S. should focus on achievable goals.

1 The U.S. should not try to persuade African governments to
2 abandon their relationships with Beijing, as they are
3 unlikely to do so and because some of the investment and
4 loans China provides does help African countries. The U.S.
5 should, instead, focus on assisting governments in striking
6 fair and productive deals with Beijing and providing a
7 realistic alternative on the projects and in the sectors
8 where the U.S. or its companies have a competitive advantage
9 or a strong strategic reason for competing.

10 Second, the U.S. should craft a governmentwide
11 messaging strategy on Chinese activity in Africa. The CCP
12 has a coherent, disciplined messaging campaign in Africa
13 that is also frequently misleading. It is, frankly,
14 propaganda, and the CCP builds significant goodwill with
15 African audiences by wielding it. The U.S. should engage
16 more strategically in the debate by pointing out the
17 inaccuracies in Chinese propaganda, but also by
18 unapologetically advocating for its foundational values and
19 its record of success in promoting prosperity and freedom
20 globally.

21 Third, the U.S. should increase its engagement with
22 Africa and reorient the focus of some existing initiatives.

23 Such measures should include focusing the U.S.'s overseas
24 development assistance on enhancing countries' free-market
25 systems and encouraging accountable and competent

1 governance, increasing the efficiency of U.S. assistance by
2 eliminating Buy American provisions and subsidies to U.S.
3 shipping companies that deliver aid, boosting trade beyond
4 the African Growth and Opportunity Act, and making the U.S.-
5 Africa Leaders Summit a regular event.

6 Finally, the U.S. should deepen cooperation with allies
7 whose interests align with those of the United States.
8 Allies such as Japan and India are increasingly active in
9 Africa and share the U.S.'s concern about Chinese engagement
10 on the continent.

11 Thank you again for this opportunity to testify, and I
12 look forward to any questions you may have.

13 [The prepared statement of Mr. Meservey follows:]

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1 Senator Ernst: Thank you very much. Very good
2 testimony.

3 And what we will do now is open up for questions. And
4 each of the participants will have 5 minutes. And we'll
5 rotate through, as many times as we can. If we are joined
6 by other members, they will have the opportunity for
7 questions, as well.

8 So, I will start with all of our witnesses, if you
9 would. What are China's military and broader security
10 objectives in Africa? And in what areas are their
11 objectives then contrary to our own United States interests?

12 And, Mrs. Sun, why don't we start with you, please.

13 Mrs. Sun: Thank you very much for the question.

14 So, looking broadly at China's global strategic and
15 military ambition, one of the key component of the Chinese
16 desire is to have a blue-water navy, and standing in the way
17 is the obstacle that China does not have a overseas base.
18 And traditionally, there is also this belief, in China, that
19 not to have deployment of Chinese troops in the military
20 overseas is one of the principles of the -- operation. So,
21 in order to build China's maritime strong-power status,
22 China needs a blue-water navy. And to have the blue-water
23 navy, China needs overseas bases. And the Djibouti military
24 base is the first step. And the Chinese -- senior officials
25 have not been shy, at least privately, in meetings with the

1 American interlocutors to express their desire to have more
2 overseas bases, and have Djibouti to be the first one.

3 Thank you.

4 Senator Ernst: Thank you.

5 Mr. Devermont.

6 Mr. Devermont: Thank you, Senator, for the question.

7 I think that China's military goals are multifaceted.
8 First, it's about strategic depth, as my colleague said,
9 being able to have a wider logistic network so they can
10 project power easy, quickly.

11 Two, I think it's to respond to the threats that are
12 posed towards Chinese nationals. Chinese nationals, like
13 U.S. nationals, are kidnapped. Chinese nationals, like U.S.
14 nationals, are caught up in instability. And China, I
15 think, has increasingly recognized that it wasn't properly
16 positioned. In fact, during the instability in Libya, they
17 had to commandeer a cruise ship and rent buses to do a non-
18 combatant evacuation of its citizens out of Libya; give you
19 a sense of its limitations.

20 Three, I think that it's also about a counter-narrative
21 it allows them to project, to argue that they're providing a
22 global good. China is now the second-largest financial
23 contributor out of the U.N. Security Council members to the
24 -- to peacekeeping, and the largest peacekeeping contributor
25 of the five Security Council members. They have about 2,000

1 peacekeepers, advisers, and police currently deployed sub-
2 Saharan Africa, and it allows -- so, this allows China to
3 say that they're providing global good, contributing
4 security. And it particularly is relevant as they make the
5 argument about the U.S. position.

6 And then, third, there is a -- military is in -- is
7 tied and integrated with their economic advantages. Putting
8 bases in Africa, and doing these security engagements, gives
9 them the opportunity to sell weapons and to tie it to other
10 projects that benefit the Chinese economy.

11 Thank you.

12 Senator Ernst: Thank you.

13 Mr. Meservey.

14 Mr. Meservey: Yeah, I agree with all that my
15 colleagues said, and I'll just emphasize a few points, and
16 reiterate some others.

17 Yeah, China has become increasingly concerned about its
18 ability to protect its nationals. There's -- there have
19 been some ugly incidents, anti-Chinese riots and things of
20 that nature, but then there's also been the Libya meltdown,
21 where thousands of Chinese nationals were caught, had to be
22 evacuated. South Sudan has seen similar unrests that have
23 compromised South -- or Chinese nationals. They also want
24 to enhance their prestige, like face and prestige is very
25 important to the CCP government. And, as my colleague was

1 saying, they can pose -- or project themselves as a
2 responsible global actor by engaging in some of these
3 activities. They also want influence in critical regions.
4 That's why they chose Djibouti. That wasn't an accident.
5 Bab-el-Mandeb Strait actually carries about 50 percent of
6 China's oil imports. So, like the U.S., they want to ensure
7 that their prerogatives are protected at a global shipping
8 chokepoint.

9 Weapons sales, yes. I also think that there is an
10 element of the Chinese military getting practice, frankly.
11 So, as they engage in these more complex operations, like
12 evacuations, but also operating in austere environments, in
13 semi-arid environments, environments they might not have
14 access to in China itself, that gives them valuable
15 experience in warfighting.

16 Senator Ernst: Very good.

17 And, just briefly, any one of you, Do we see any
18 overlap where their military presence would be a benefit to
19 the United States?

20 Mr. Devermont: I think that the peacekeeping side of
21 the house is important. What most -- what the -- the big
22 conclusion of the 2015 Peacekeeping Summit is that we need
23 more specialized peacekeeping units. And China, most of
24 their units are engineering battalions; they don't do a lot
25 of fighters. And so, in that respect, under the rubric of

1 the U.N., I think that can be argued as a positive.

2 Senator Ernst: So, having some sort of oversight, then
3 it can be beneficial. But, I think maybe most of us would
4 agree that, for the better part, our interests are maybe not
5 the same as their interests.

6 Mr. Devermont: I agree, ma'am.

7 Senator Ernst: Okay. Thank you very much.

8 Next, we'll move to the Ranking Member.

9 Senator Heinrich: We have, rightfully, talked a lot
10 about China and what they are doing to seize the strategic
11 high ground across the continent. I want to flip that on
12 its head a little bit. And, Mr. Devermont, you've touched
13 on this, but I want to ask all of you. Let's talk about
14 what the opportunities are in Africa that, currently, we are
15 missing. Because it seems like much of this is a vacuum
16 that China has been happy to fill. So, why are we allowing
17 that vacuum to occur? And what are some strategic fairly-
18 low-hanging-fruit kind of things that we should be doing
19 right now to make sure that they're not operating in a
20 vacuum across the continent?

21 And that's for all of you, frankly.

22 Mrs. Sun?

23 Mrs. Sun: Sure. I will go first.

24 I think for the very -- for a very long time, the
25 narrative about U.S. and China sharing common interests in

1 Africa is not new. And that narrative has been present in
2 the -- in both governments and in both policy communities.
3 And there have been many dialogues and many communications
4 between the two about how and on what issues the two
5 governments and two countries can cooperate with each other.

6 However, having said that, on a lot of issues U.S. and
7 China simply share, there are convergent interests, but
8 there are also divergent interests. For example, in terms
9 of foreign aid, the Chinese implement a very different set
10 of criteria and a very different set of goals in their
11 foreign aid practice. More than half of their foreign aid
12 is used to cover the interest -- the differences of the
13 interests of --

14 Senator Heinrich: I get that. I want to know what the
15 United States should be doing.

16 Mr. Devermont, do you have a -- you mentioned a couple
17 of things, where, for example, the highest-ranking official
18 to visit the --

19 Mr. Devermont: Yeah.

20 Senator Heinrich: -- continent in the last couple of
21 years is the Secretary of State?

22 Mr. Devermont: Yes, sir. I think that we are falling
23 down on our engagement with African leaders. We have only
24 hosted two sub-Saharan leaders in the Oval Office at the
25 start of this administration, President Buhari, of Nigeria,

1 and President Uruhu Kenyatta, of Kenya. Only the Secretary
2 of State has now visited sub-Saharan Africa, former
3 Secretary Tillerson. As my colleague, Josh, said, I think
4 that there is a value in another U.S.-African Leaders
5 Summit, which was in 2014, which is an important engagement
6 in the same way that FOCAC, the Forum on Chinese-African
7 Cooperation, is an important event for the -- for Beijing.
8 And then, I think, on soft power, we need to be thinking
9 about, How do we become the preeminent destination for
10 Africans to get an education and to make connection with the
11 United States? I also think, on our soft-power engagement,
12 it still is very old and lacks a freshness to it. I'll
13 point to President Macron of France's recent trip to
14 Nigeria, where he went to a music venue known as The Shrine
15 and really engaged with Nigerians in a very electrifying
16 way. And most of our engagement still is jazz ambassadors
17 and bluegrass bands, and it's not connecting to a really
18 vibrant music, film, sports, entertainment culture in sub-
19 Saharan Africa that could allow us to leverage one of our
20 strengths, which is our cultural exports.

21 Senator Heinrich: Mr. Meservey, do you have thoughts?

22 Mr. Meservey: Yeah. Again, to reemphasize, the Africa
23 Leaders Summit, I think, is a great idea. China does a
24 similar thing every 3 years, have been, for a number of
25 years now, and many other countries -- India does -- Japan,

1 et cetera. I think Oval Office visits, really important. I
2 would like to see more commercial attaches in Africa that
3 can really facilitate some of these U.S. companies getting
4 into the continent. I think embassies need to be more
5 involved in proactively seeking out opportunities for
6 American companies, providing American companies with
7 information, facilitating relationships, things of that
8 nature. Make it more of a focus for these embassies.

9 Yeah, I agree that Hollywood actually -- like our film
10 industry is a major soft-power tool that we have, and I
11 think -- but, there is a huge entertainment industry in
12 Africa -- Nollywood, of course, famously. So, I think
13 looking for synergies there. I actually saw, recently, I
14 think Netflix is going to show a Nollywood film for the
15 first time. So, I think that's positive. I think there's a
16 lot more that we could be doing there, that the government
17 could be facilitating or encouraging.

18 Senator Heinrich: Are we getting the tone right?

19 Mr. Meservey: The tone?

20 Senator Heinrich: Yeah. Or has --

21 Mr. Meservey: Some --

22 Senator Heinrich: -- our engagement with Africa been
23 patronizing and, in some cases, downright denigrating?

24 Mr. Meservey: Yeah, I would agree with that. It
25 really -- it can -- the tone can vary. And I think that's

1 -- I mentioned the messaging that we need to do, that the --
2 the tone is really important, because there's obvious
3 sensitivities on the continent. The U.S. is not a colonial
4 power, but it's still lumped in, frequently, with colonial
5 power. So, very, very important to get the tone right, to
6 speak to them as partners, to treat them as partners. But,
7 that will also require demanding some accountability --

8 Senator Heinrich: Absolutely.

9 Mr. Meservey: -- and reorienting, as I mentioned, the
10 focus more away from aid and towards, you know, free
11 enterprise activities, things of that nature.

12 Senator Heinrich: Great.

13 Thank you all.

14 Senator Ernst: Thank you.

15 Senator Peters.

16 Senator Peters: Thank you, Madam Chair.

17 Thank you, to our witnesses here today.

18 I have recently read a report from -- it's the Center
19 for International Private Enterprise, which talks about how
20 we need to protect democracies, particularly in Africa, from
21 a flood of what they call "corrosive capital" that corrodes
22 these emerging and developing democracies, primarily because
23 of lack of transparency. But, one issue in particular I'd
24 like to have of you comment on is that there is a -- they
25 talk about a widely-held belief that Chinese loans come with

1 no strings attached, and that gives them an advantage in
2 order to put these loans out, relative to loans from either
3 the U.S. or from international organizations, which puts
4 strings, such as human rights, anticorruption, issues that
5 we, of course, care very deeply about, here in the United
6 States, but that it's false that Chinese have no strings,
7 because they look for things to be sole-sourced with Chinese
8 firms, they want a dominant equity share in projects, you
9 have to have the mass importation of Chinese workers into
10 these countries. I mean, the list goes on. Could you --
11 each of you talk a little bit about this corrosive
12 capitalism, as referred to by this organization, whether or
13 not you believe that is something we should be concerned
14 about, and, more importantly, how do we deal with it?

15 Start with you, Mr. Meservey.

16 Mr. Meservey: Thank you for the question, Senator.

17 Yeah, I -- I've read the report. I thought it was
18 excellent. I agree with its findings. And I referenced, in
19 my written testimony and my oral testimony, the corruption
20 -- the routine corruption that African companies engage in
21 that wins them all sorts of favors and makes it very hard
22 for others to compete. There was an interesting survey done
23 that found anywhere from 60 to 87 percent of Chinese
24 companies admit to paying bribes to obtain licenses and
25 things of that nature. U.S. companies will find -- or

1 leaders will find themselves in jail if they do something
2 similar.

3 So, I think that the way to combat this -- it's
4 obviously extraordinarily difficult, but you have to focus
5 on civil society, I would say, because, oftentimes, African
6 governments, themselves, are incentivized to engage in this
7 behavior. They're -- one of the scourges of the continent
8 is that -- is corruption. And so, they're frequently far
9 too willing to engage in this corrupt game.

10 So, the biggest victims of corruption are the African
11 people, themselves. They're the ones left holding the bag.
12 So, focusing on civil society, increasing their technical
13 capacity, journalists, investigative journalists. There are
14 some very brave people on the continent, writing brave
15 things, and exposing all sorts of misdeeds. So, I think you
16 have to really focus in on civil society.

17 Senator Peters: Devermont?

18 Mr. Devermont: Yeah, thank you, Senator.

19 I agree that the idea of no strings is a false concept.
20 Not only is there strings in terms of the economic
21 investments, but increasingly there are strings regarding
22 the politics. The former Assistant Secretary of State for
23 Africa, Linda Thomas-Greenfield, publicly said that, for the
24 first time, the Chinese weren't even saying that we don't
25 interfere in countries' internal affairs anymore. And I

1 think some of the instability in South Sudan and in Zimbabwe
2 have laid bare that, when China has their economic interests
3 at risk, they are going to do and engage in ways to protect
4 those interests. There has been a number of recent exposes
5 and convictions of Chinese corruption. In fact, most
6 recently in our courts, a Chinese businessman was convicted
7 for bribing the Ugandan and Chadian governments for an
8 investment. And we know, from data, such as AidData, a
9 research lab out of the College of William and Mary, that
10 investment -- Chinese investment in Africa disproportionately
11 affects the leader's home region or community.

12 I think the answer, as my colleague said, is civil
13 society. I also think it is urging Africans to ask for
14 better deals. It is possible. Andrew Alli, the former head
15 of the African Finance Corporation, recently talked about
16 how you can get better labor practices, more transparency,
17 but an African government has to ask for it.

18 Thank you.

19 Senator Peters: Thank you.

20 Mrs. Sun: In terms of the strings attached through
21 Chinese investment, there are political strings. For
22 example, on the issue of Taiwan and on the issue of Tibet,
23 on the issue of China's domestic human rights record,
24 African countries are expected to support China's position,
25 or at least remain silent. That was also demonstrated in

1 Africans' attitude towards China's position on the South
2 China Sea.

3 In terms of the economic strings attached, the African
4 governments are supposed to take loans from China to finance
5 projects, which adds to the problem -- sustainability.
6 Seventy percent -- according to Chinese official media, 70
7 percent of the contracts associated with the infrastructure
8 projects are supposed to keep -- are supposed to deliver to
9 Chinese bidders. The Chinese infrastructure contractors are
10 -- the ones bringing the ones bringing these projects.

11 In terms of the participation in corruption in Africa,
12 I would say that China did not create this problem, that
13 this problem was already there before China went to Africa.

14 But, China's willingness to participate in those practices
15 certainly has exasperated the problem.

16 As for the reaction, of course, civil society free
17 media investigative journalism, I also propose that there
18 should be more understanding and more studies of specific
19 Chinese projects, especially the mega-infrastructure
20 projects in Africa, how they were reached, how they were
21 negotiated, and how the results are being received by the
22 local community.

23 I'll stop there. Thank you.

24 Senator Peters: Great.

25 Thank you.

1 Senator Ernst: Thank you.

2 We'll go ahead and do another round or two of
3 questioning, given time constraints.

4 Mr. Devermont, I'd like to address this question with
5 you. In your opening statement, you identify Chinese
6 activities that may undercut U.S. military access and
7 operations as, quote, "an unmistakable threat," end quote,
8 and you highlight the Chinese military base in Djibouti as
9 particularly concerning, and note that China has invested,
10 or has plans to invest, in other ports. And you name those:
11 Cameroon, Guinea, Madagascar, Mozambique, and others. Will
12 you please explain in more detail how China might try to
13 limit U.S. military access and operations in Africa?

14 Mr. Devermont: Sure. Thank you for the question,
15 ma'am.

16 So, looking at Djibouti, I mentioned the lasering of
17 our pilots. I think that's the clearest example. And there
18 are, I think, questions that remain about our ability to
19 move up and down the coast as they sit on that central
20 check- -- chokepoint.

21 One of the challenges with looking at these ports and
22 divining which ones will become a military logistics hub and
23 which one will be just a commercial investment is that the
24 Chinese are doing all sorts -- are doing economic,
25 political, security investments at the same time. And I

1 think, as a good logician is doing -- logistician -- they
2 are creating options for themselves. And so, I think,
3 ultimately, they are going to look for a perch on the
4 Atlantic. I'm not sure which one of those places are going
5 -- that is going to be. At CSIS, we're interested in taking
6 a much closer look at all of the port investments in sub-
7 Saharan Africa, and trying to give a greater picture, both
8 to the level of investment, the opportunities for it to
9 transition into a military logistics base, and, as your
10 questions asked, ma'am, which of those could actually limit
11 our ability to maneuver through these key waters.

12 Thank you.

13 Senator Ernst: So, do you think it's the deterrence,
14 then, is their goal in seeking to keep United States
15 interests from moving freely along their coastline?

16 Mr. Devermont: I think it gives them the option, if
17 things could heat up, to close down some of those lands.

18 Senator Ernst: Okay.

19 And then, you mentioned the lasering, which is used to
20 disrupt our military presence and movement. Have there been
21 other instances that we can identify in recent past?

22 Mr. Devermont: That's the only incident I know in sub-
23 Saharan Africa.

24 Senator Ernst: Okay.

25 And do you know of any others, Ms. Meservey?

1 Mr. Meservey: I've heard a related story, not
2 involving lasers, but that now the Chinese are complaining
3 to the Djiboutian government about drone flights -- U.S.
4 drone flights using -- flying over the base, and things of
5 that nature. Obviously, Camp Lemonnier and the drone
6 operations out of there are critical to what the U.S. is
7 doing, not just in sub-Saharan Africa, but also in the
8 Middle East. So, I would not at all be surprised if the
9 Chinese are working to restrict what we can do with drones
10 in Djibouti.

11 Senator Ernst: Okay. I appreciate that.

12 So, we are talking about the activity around Djibouti.
13 And I'd like to dig in a little bit further, because it is
14 interesting how the Chinese do want to further develop a
15 blue-water navy. And, Mrs. Sun, maybe you can address this.
16 How can they use their presence in Djibouti to challenge the
17 United States? And what does this tell us about their
18 military ambitions elsewhere in Africa?

19 Mrs. Sun: Thank you very much, ma'am, for the
20 question.

21 In terms of China's military ambition, I think Djibouti
22 serves as a learning experience for China, because this is
23 their first overseas base. And they have reached out to
24 other countries who already have the bases in Djibouti, in
25 terms of how to set it up, how to negotiate it with the

1 Djiboutian government, and also how to operate such a base.
2 So, in the case of Djibouti, like I mentioned, China started
3 it with a U.N. mandate that was conferred to the naval
4 escort in the Gulf of Aden. And when China first proposed
5 to build the overseas base in Djibouti, they used its U.N.
6 mandate to legitimize their demand, because this was -- they
7 argued that the base would be serving a U.N. purpose rather
8 than China's own purpose. But, after the base was
9 established, the Chinese narrative started to change and
10 morph towards the -- capability overseas. And they have
11 conducted live-fire drills in the periphery of the base, and
12 there are discussions in China about potential intervention
13 in African countries to protect the Chinese assets and
14 Chinese nationals in the time of needs.

15 So, I would say that Djibouti serves as a first example
16 of China stepping out as -- of the Chinese military stepping
17 out of the Chinese territory, and the -- like the -- has
18 already manifested, this will not be the first one, and it
19 will be the first of a series of development that China will
20 seek.

21 Senator Ernst: And, just very briefly, as well, since
22 the Chinese messaging has changed over time with the
23 establishment of that base, does that serve as a
24 disincentive for any of the other regions or countries that
25 might consider establishing a Chinese base within their

1 territory?

2 Mrs. Sun: I think, yes, that is very true, especially
3 the narrative about China's using debt-trap diplomacy to
4 gain their access to ports in Hambantota. That has already
5 warned, for example, the Burmese government to reduce the
6 size of the deep-sea port that China has proposed to build
7 in their country. And we believe this has also prevented
8 the Russian government from accepting the Chinese proposal
9 to build commercial ports in Arkhangelsk and Murmansk. So,
10 I think these Chinese narratives and their ambition has
11 already signed warning signals to countries around the
12 globe.

13 Senator Ernst: Okay. Thank you very much.

14 Senator Heinrich.

15 Senator Heinrich: Has there been sufficient
16 consequences for China's breach of the protocol on the
17 blinding laser weapons in Djibouti? We're both signatories
18 to that.

19 Mr. Meservey: There have been none that I know of.

20 Senator Heinrich: Would there -- would you have
21 suggestions about what an appropriate response might be?

22 Mr. Meservey: I think it's -- obviously, you demarche
23 them and publicly protest as strongly as possible, as has
24 already happened. I think that you have to build in
25 potential countermeasures. My sense is that this was the

1 Chinese exploring technology and trying it out. Again,
2 Africa is somewhat of a testing ground for China -- the
3 Chinese military and Chinese technology. Actually, in
4 Zimbabwe, for instance, they're doing -- the Chinese company
5 that is involved in facial recognition. And they need dark-
6 complected faces to --

7 Senator Heinrich: Right.

8 Mr. Meservey: -- to refine that --

9 Senator Heinrich: To get the database.

10 Mr. Meservey: -- technology. Yeah.

11 Senator Heinrich: Yeah.

12 Mr. Meservey: So -- but, as far as more robust
13 measures, it's -- I'm not sure.

14 Senator Heinrich: The administration intends to
15 release its new strategy for Africa this week. What changes
16 do each of you hope to see in that?

17 Anyone?

18 Mr. Devermont: I'll go.

19 I am looking for a strategy that thinks through -- with
20 respect to the topic of today's conversation, that thinks
21 through a approach towards China's growing presence on the
22 continent that we can implement, that is realistic, that is
23 hardnosed when it needs to be, but is -- has less bluster
24 when it's not necessary. And I think it also requires
25 thinking more broadly about the tools to counter China, and

1 particularly working with the Africans, not talking down to
2 them, but to leveraging their own concerns about Chinese
3 debt or Chinese malign activities, and finding partners
4 globally. I think that we can't do this alone, and we're
5 not the only country or the other -- the only member in the
6 global community that's worried about China in Africa.

7 Thank you.

8 Senator Heinrich: It seems like we concentrate a lot
9 of our effort and communications and strategy in Africa
10 around the African elite. And, Mr. -- is it Me-SER-very or
11 Me-ser-VERY? Me-SER-very, sorry. You know, you mentioned
12 the need to, at times, shift from a USAID kind of approach
13 and a -- to more of a business-based approach. It seems
14 like, in a continent where there are so many people without
15 basic services, like electricity, and where there are real
16 business cases now for doing, for example, distributed
17 energy in a way that jumps over the way we've developed in
18 the Western world, that this is a time that ought to be ripe
19 for business diplomacy on the continent in a way that goes
20 directly to the African people, as opposed to always
21 concentrating on the elite, and in places where, you know,
22 you're not reaching the broad numbers that exist there. Do
23 you agree with that observation?

24 Mr. Meservey: Yeah, I do. Part of the challenge, of
25 course, is that these economies are structured around the

1 elites, so engaging is difficult without the elites. And,
2 obviously, we would never be able to do it without them, but
3 I absolutely agree with your fundamental point that we do
4 need to be thinking creatively about how we reach the
5 average African, so to speak, both with our economic
6 activities, but also with our messaging that we've been
7 talking about, and our soft power, and all of our other
8 activities. I think there's opportunities there --

9 Senator Heinrich: Despite the fact that so many people
10 don't have basic lighting in their homes, most -- a very
11 large number of people have access to a cellphone. And that
12 --

13 Mr. Meservey: Yeah.

14 Senator Heinrich: -- creates an awful lot of
15 opportunities.

16 Mr. Meservey: Yeah.

17 Senator Heinrich: It seems, also, that the Chinese
18 model of development in Africa is something that we should
19 be thinking about as an opportunity, because some of the
20 pushback that we've seen has been from this model of, you
21 know, when they come in to do infrastructure, they bring
22 Chinese contractors, and they bring Chinese workers. And
23 there's a lot of frustration with that on the continent.
24 And if the United States or other Western democracies could
25 provide an alternative model for that development, that

1 would seem like a real opportunity.

2 Mr. Meservey: Yeah. Just very quickly. There's -- an
3 American company is in the final stages of finalizing a plan
4 to build a tarmacked road in Kenya --

5 Senator Heinrich: Kenya.

6 Mr. Meservey: -- that's going to run parallel to the
7 Standard Gauge Railroad that the Chinese built. And I've
8 spoken with the company, and they say that they are very
9 aware of the Chinese model, and so they are going to take
10 every effort to make sure that Kenya workers are employed at
11 all levels of the project, and it's going to be a first-rate
12 project. So, I think that's a real opportunity.

13 Senator Heinrich: Thank you.

14 Senator Ernst: Thank you.

15 I think we'll do just one more round of questioning so
16 that we can complete the hearing in the next 10 to 15
17 minutes.

18 And I would like to build on something that Senator
19 Heinrich has brought up. And that is that we do have the
20 President's National Security Advisor, Ambassador Bolton,
21 releasing a new strategy for Africa in a speech tomorrow at
22 the Heritage Foundation. And we have talked a little bit
23 about what the United States can do through soft powers,
24 other means. But, how can we approach this as the United
25 States by also engaging other partner countries? Because

1 it's not just the United States and China engaging in
2 Africa, or maybe should be engaging more in Africa. What
3 other allies, partners, can we reach out to, to strengthen
4 the pushback against the Chinese and their influence in
5 Africa?

6 And, Mr. Meservey, I'll start with you, since you're
7 nodding.

8 Mr. Meservey: Yeah. Yeah, sure. No, I vigorously
9 agree. I had that recommendation in my written testimony
10 and in my oral testimony.

11 Yeah. One of the most skeptical countries about -- of
12 China's OBOR, One Belt One Road, Initiative has been India,
13 from the very beginning. They've been deeply, deeply
14 skeptical. And that's an American ally that I think the
15 U.S. should be working with. Japan, very skeptical. South
16 Korea, a number of Asian countries, and, increasing, even
17 European countries are starting to become worried, I think.
18 So, yeah, I think that needs to be a conscious effort from
19 the U.S. Government. And we are cooperating on certain
20 security matters. For instance, like the G5-Sahel Security
21 Group. That's a -- very much a European, African, American
22 endeavor.

23 But, yeah, I think it, as I say, needs to be a
24 conscious effort. I'd like to see more thinking, more of
25 these countries sitting down with the U.S. and thinking

1 through, "Okay, where do our interests align, and how do we
2 maximize our engagements?" Because I think that will be the
3 most effective way of dealing with this problem, because
4 some of our partners have capabilities we don't, and vice
5 versa.

6 Senator Ernst: Thank you.

7 Mrs. Sun, did you have any thoughts on that?

8 Mrs. Sun: Thank you for the question.

9 I think Japan and India will be two key partners with
10 the U.S. engagement in Africa, although there is the issue
11 of the size of the investment that the three countries will
12 be able to put on the table. When the Chinese are asked the
13 question that -- for example, the four countries in the quad
14 are going to compete with China in terms of the development
15 work in the Indo-Pacific region. Chinese reaction is that
16 we are willing -- we are capable of mobilizing Chinese
17 government capitals to invest in these efforts. And, in
18 comparison, the size of the capital that the three
19 governments can come up is not really comparable in this
20 sense. So, I particularly agree with the -- with the
21 recommendation that private sectors of the United States,
22 and of Japan, and of India, will have to be mobilized to
23 join this effort.

24 We can make our investment smart, because the Chinese
25 are tend -- they tend to invest in the mega projects that

1 they are -- for example, the railway projects, they have --
2 they -- come with a very large bill. But, they don't have
3 to before our investment. We can invest on the grassroots
4 level and help the African people on the grassroots level,
5 like the Chinese approaching -- or the Chinese prioritizing
6 the African elites, we can target a different -- a very
7 different audience. And Japan has formed a very
8 sophisticated network of aid projects and aid workers on the
9 ground. I think we should tap into that resource.

10 Senator Ernst: Very good.

11 And I'm just going to briefly move to a different
12 topic. Mr. Meservey, in your remarks, you talk about the
13 export of Chinese tools and training to African governments
14 for repressing their people. And could you explain a little
15 more in detail what you're seeing in this regard? And what
16 does that mean directly to our interests in Africa?

17 Mr. Meservey: Sure. So, the worst example of this is
18 probably Ethiopia, where -- which built a very pervasive
19 surveillance state. And the Chinese provided some of the
20 technology, particularly online technology, for censoring
21 and even shutting down social media, for instance, or things
22 of that nature. And it's not just Ethiopia. We've seen it
23 in a number of countries. This is an unfortunate growing
24 trend in Africa. And, again, Chinese companies have built
25 on the expertise that they've developed in China doing this

1 sort of thing, and are now exporting it across the
2 continent. So, jamming equipment, all -- a whole host of
3 things. And again, this -- I think this hurts U.S.
4 interests, because, one, it gives the Chinese surveilling
5 capabilities, where they might be able to eavesdrop on U.S.
6 activities, but it also hurts the U.S. decades-long effort
7 to encourage the global growth of democracy.

8 Senator Ernst: Yeah, very concerning. Thank you.
9 And, Mr. Heinrich.

10 Senator Heinrich: I assume you all are familiar with
11 the Sri Lankan port situation. One of the things that
12 worries me about the situation in Djibouti is the
13 combination of the unique location of that site, the very
14 close proximity of Camp Lemonnier, and the new Chinese base,
15 and then the overlay of one of the examples of a real debt-
16 leverage situation between China and Djibouti. How much
17 does the debt piece of that worry each of you, in terms of
18 where we go into the future on that very crowded spit of
19 land?

20 Mr. Devermont: I think, in Djibouti, it's the country
21 that I'm probably most worried about Chinese debt, because
22 it's, you know, upwards of 70 to 80 percent, and because,
23 currently, Djibouti has expelled Dubai's ports from
24 Djibouti, and it looks like it, potentially, will go into
25 Chinese hands. Now, what was behind all of that decision, I

1 think is still unclear. But, you can add up the debts, the
2 strategic location, and, essentially, the --

3 Senator Heinrich: In other words, the private port was
4 changed from --

5 Mr. Devermont: Yes.

6 Senator Heinrich: -- being operated by --

7 Mr. Devermont: From -- yeah, Dubai ports were -- to
8 currently under the Djiboutian government, but there's
9 indications that it --

10 Senator Heinrich: To Chinese --

11 Mr. Devermont: -- there's indications that it may move
12 to China. So, I think that's a potent example of what's
13 happening in Djibouti right now.

14 Senator Heinrich: How much is there -- how much do you
15 make of the pushback that seems to be beginning to emerge in
16 China, the frustration with the scale of debt relief, of
17 spending on mega projects? You know, there have been some
18 examples of influential university professors and others
19 starting to make a bigger deal in China of the sort of
20 flashy spending that China's doing in Africa. Is that a
21 real situation? Is that something that -- would you view as
22 fairly widescale and legitimate pushback? Is it something
23 that President Xi is taking seriously?

24 Mrs. Sun: I think that is something that President Xi
25 is taking seriously, because the extravagant spending

1 associated with the Belt and Road Initiative has been
2 criticized constantly and repeatedly in China about economic
3 viability and whether the Chinese foreign reserve can
4 actually afford such squandering and wasteful spending --
5 projects being economically sustainable in the future.

6 The counterargument from the so-called strategists or
7 the politicians is that China is a great power, China needs
8 to use its financial resources to demonstrate its generosity
9 and the public good China, as a great power, is willing to
10 provide.

11 But, the most important -- that comes from the Chinese
12 bank -- from the Chinese bankers, because eventually it will
13 be the China Development Bank and China EXIM Bank -- they
14 have to do their spreadsheet, and they have to explain why
15 their investment or their loans are not making the profit
16 that they are supposed to make.

17 And coming to the example of Djibouti, Djiboutian
18 officials privately have expressed its -- that, in the end,
19 that they don't believe that that will be a big problem,
20 because the Chinese eventually will forgive those debt.
21 But, what they do not mention is that those debt forgiveness
22 or alleviation will come with certain strategic and
23 political compromises, and they will not be in the position
24 to say no to the Chinese.

25 Senator Heinrich: Thanks.

1 Senator Ernst: Okay. Well, I do thank all of our
2 witnesses today. I think we could spend an entire week or
3 so talking about the complications that we have in China --
4 or in Africa with the Chinese influence there. Thank you
5 very much for your time and your input. And we look forward
6 to working with you on these issues in an additional time.

7 So, thank you very much. Have a good day.

8 This concludes our hearing.

9 [Whereupon, at 10:35 a.m., the hearing was adjourned.]

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